

Finance Council Talking Points – September 30, 2007

Qualifications of the membership on the Parish Financial Council:

Joe Bauer, Chairman. Bachelor of General Studies with emphasis in accounting and economics; MBA

James Thieme. Degree in Accounting; licensed and practicing CPA

Evelyn Salas. Bookkeeper and maintainer of the Parish Registrar, records offertory and/or other donations & prepares documentation as required for tax purposes.

James Buswell. New volunteer on the council

The primary responsibilities of the Finance Council are, but not limited to:

1. Exercise fiduciary responsibility for parish funds
2. Ensure all debts are paid in a timely manner
3. Advise the Pastoral Council on all fiscal matters
4. Prepare the annual budget
5. Establish and maintain oversight for the Capital/Building Campaign.

Where We Were; Where We Are; Where We Need To Go

WHERE WE WERE: The first Mass was held on Ash Wednesday, February, 2005 in the cafeteria of the Falcon Middle School. Fr. Paul provided guidance on what committees/ ministries were required to begin the formation of a parish in Falcon. Mass, on a regular basis, began on 22 May 2005 and has continued since that date. Committees/Ministries were formed under the auspices of Holy Apostles Catholic Church. Holy Apostles managed the funds of the mission parish until Bishop Sheridan designated St. Benedict as a quasi parish. Now identified, St. Benedict applied for and received a Federal Identification Number for tax purposes and also allowed the establishment of a bank account.

None of the founding members are professional parish builders. Consequently, the Pastoral Council employed a Management by Exception policy using logic and common sense governing expenditures to promote the creation of the parish. Without any guidance or past experience, the parish operated on a **FLY-BY-THE-SEAT-OF-OUR-PANTS** philosophy. To aid in reducing expenses, members of the parish begged, borrowed and accepted donations of all kinds to create an atmosphere of a worship space. It was necessary to procure a new sound system, construct a storage building and, ultimately, a parish house the Pastoral Council and committees/ministries could meet.

For the FY 05-06 year, a budget was formed. Limited exposure to actual annual operating costs made it very difficult. Under the circumstances, the Pastoral Council, and the Chair of the Finance Council devised what was considered to be a reasonable budget. Keeping a close eye on revenues and expenses it was determined that sufficient cash resources were available to meet the obligations of the parish and permit the investment of some monies in a safe and secure program. The parish purchased as \$12,000 C/D

WHERE WE ARE: Using the knowledge gained from the FY 05-06 operations, a reasonable and logical budget was compiled. Expected revenues from Offertory, Rel. Ed. Hospitality, Bishop's Appeal and C/D Int. totaled \$75,700; actual revenue was \$89,400. Conversely, forecast expenses were \$64,400 and actual costs were \$50,600, a total swing of \$27,400. The excess funds enabled the parish to increase the \$12,000 C/D at maturity to \$20,000 and also purchase two C/Ds at \$15,000

each. This investment is categorized, according to diocesan financial guideline as restricted or temporary restricted funds; henceforth considered Capital/Building Campaign funds.

In October of 2006, Fr. Paul determined that the growth of St. Benedict and the pending acquisition of donated land to the diocese for construction of a school and church in the Falcon area, needed a full time administrator. Deacon Lynn was offered the position and Bishop Sheridan approved the assignment effective 1 December 2006. The salary for Deacon Lynn is not determined by the parish, but rather by the diocese. St. Benedict is incapable at this time to support the salary of \$4,635 per month. A grant of \$80,000 is available from the diocese called **MISSION ORGANIZATION FUND (MOF)**. This no-interest fund is restricted and can only be used to support the creation of a new parish. Deacon Lynn's salary is being paid from this fund and the amount is charged to the parish as a Notes Payable Account. To date, \$43,000 has been consumed as salary from the **MOF** leaving \$37,000 available. As of 1 July 2007, the parish pays back to the **MOF** 10% of the monthly offertory. Thus far that pay back amounted to \$1,350.

WHERE WE NEED TO GO: As of 30 September 2007, the deed to transfer the property from the developer to the diocese has not occurred. The land will consist of 17 acres in the area of Judge Orr and Curtis Road, northeast of Falcon center. Until such time as the land is conveyed, no building or capital campaign can be initiated. The details of the specific plat is being finalized and is expected to be completed in the near future. The construction of the school is the responsibility of the diocese, however, the building of the church rests with St. Benedict. This will be a major effort in seeking out grant money in addition to instituting a building pledge campaign. The C/Ds will serve as start-up funds to implement the campaign and initial expenses associated with survey work and other infrastructure costs.

Aside from the above, the parish must continue to serve the religious needs of the parishioners. Operational costs will continue which can be satisfied at the current level of revenue. However, the cost of the Parish Administrator is not within our capability to fully fund. Since 1 July, Deacon Lynn's salary increased to \$5,074 per month. Applying that figure to the remaining balance of the **MOF** account, and considering the rate of pay-back to the fund, Deacon Lynn's salary will deplete the remaining balance by April or May of 2008. Does St. Benedict need a full time administrator? **YES** Can St. Benedict afford a full time administrator? **NO**, Not at the current rate of revenue. It is not possible to haul a 5 ton load on a 2 ton truck, but that is exactly the dilemma we face today.

Statistics gleamed from our accounting records indicate that the average contribution from registered households amounted to \$7.14 per week. That was adequate to cover our previous operating expenses, however it falls far short to support our current projections which includes Deacon Lynn's salary. To ensure that all of our commitments can be met, it will require a significant increase in revenue. There are several ways to accomplish this: **1.** Be the recipient of a very generous benefactor, not likely. **2.** Double the size of registered households, not a short time solution. **3.** Double the amount of the weekly offertory, an immediate solution. **4.** Eliminate the administrator's position, not an option since this would be moving backward rather than forward. The bottom line;

WE NEED HELP. WE CAN'T GET THERE FROM HERE WITHOUT IT. YOUR SUPPORT IS NECESSARY AND ESSENTIAL IF WE ARE TO SUCCEED. FAILURE IS NOT AN OPTION..